

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 941
By: Johnson
Finance
4/11/2019
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Chapter 327, Tax Code, allows a municipality to impose a local sales tax for the maintenance and repair of municipal streets, provided that the tax is authorized by voters for a four-year period.

The City of Coppell first implemented the Chapter 327 sales tax option in 2007, with 63 percent of voters in favor. The tax was renewed in 2011 with 72 percent in favor, and in 2015 with 83 percent in favor. Given the citizens of Coppell's clear support for this measure, the city would like the ability to renew for a 10-year period in the next election. Comparable sections in Chapter 327 provide this option to other cities.

S.B. 941 would allow Coppell to renew its local street maintenance sales tax for a 10-year period. This would allow the city to meet critical infrastructure needs as a major logistics hub near Dallas/Fort Worth International Airport without holding unnecessary, repetitive elections. (Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 941 amends current law relating to the expiration of the municipal sales and use tax for street maintenance in certain municipalities.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 327.007(a) and (b), Tax Code, as follows:

(a) Provides that the sales and use tax authorized by this chapter (Municipal Sales and Use Tax For Street Maintenance), unless imposition of the tax is reauthorized as provided by this section (Reauthorization of Tax), expires on:

(1)–(2-a) makes no changes to these subdivisions;

(2-b) if the tax is imposed in a municipality with a population of less than 50,000 that includes a portion of an international airport and that is located in only two counties, one of which has a population of 2.2 million or more and is adjacent to a county with a population of more than 600,000, the last day of the first calendar quarter occurring after the 10th anniversary of the date the tax was last reauthorized under this section if, at that election, the voters approved the imposition of the tax for a period that expires on that anniversary instead of the period described by Subdivision (2); or

(3) makes no changes to this subdivision.

(b) Provides that an election to reauthorize the tax is called and held in the same manner as an election to adopt the tax under Section 327.006 (Election Procedure), except the

ballot proposition is required to be prepared to permit voting for or against a certain proposition. Sets forth required language for the ballot.

SECTION 2. Makes application of Section 327.007(b), Tax Code, as amended by this Act, prospective.

SECTION 3. Effective date: upon passage or September 1, 2019.